

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7025

BILL NUMBER: HB 1498

NOTE PREPARED: Jan 4, 2015

BILL AMENDED:

SUBJECT: Nonphotograph BMV Identification Documents.

FIRST AUTHOR: Rep. Beumer

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Requires the Bureau of Motor Vehicles (BMV) to issue driver's licenses, permits, and identification cards without a photograph if the applicant for the license, permit, or identification card has a sincerely held religious objection to the taking of a photograph of the applicant.
- (2) Provides that a license, permit, or identification card that does not bear a photograph must include a statement that indicates that the license, permit, or identification card may not be accepted by any federal agency for federal identification or any other federal purpose.

Effective Date: July 1, 2015.

Explanation of State Expenditures: Providing a photo-less BMV credential is expected to, at a minimum, increase one-time BMV Commission Fund expenditures by \$15,000 to issue a new card type.

Explanation of State Revenues: *Summary:* According to the BMV, this bill could affect the state's compliance with the federal REAL ID Act and could reduce federal grant funds the state receives. Potential federal fund decreases will depend on the decisions of the federal Department of Homeland Security.

The bill could also increase revenue the BMV receives from credential fees. Demand for photoless credentials and any resulting increases in revenue are indeterminable.

Additional Information:

Fee Revenue: This bill could increase the number of requests for BMV credentials (operator's licenses, permits, and identification cards) that do not bear a photo. The number of individuals who will request photoless credentials is unknown. Depending on the demand for photoless credentials, fee revenue could partially, if not completely, offset the costs of providing these new credentials.

The current fee revenue distribution from the affected BMV credentials is included in the following table.

Fund/Purpose	Operator's Licenses	Learner's Permits	Identification Cards
Motor Vehicle Highway Account	\$4.50	\$0.50	\$2.75
Crossroads 2000 Fund	\$2.00	\$2.00	\$0
BMV Technology Fund	\$0.50	\$0.50	\$0.50
Anti-Terrorism Programs	\$1.25	\$1.75	\$1.25
BMV Commission	\$9.25	\$4.75	\$7.00
Total	\$17.50	\$9.50	\$11.00

Federal REAL ID Act: The federal REAL ID Act requires any form of state-issued identification to include a photograph of the card holder. Certain exemptions are allowed for individuals who swear or affirm sincerely held religious beliefs that prohibit them from being photographed. This same affirmation is required as a condition of receiving photoless credentials.

The BMV reports that if the state begins issuing identification cards without photographs, the state would no longer be compliant with the REAL ID Act and could lose federal grant funds. The table below provides information on federal REAL ID grant funds the state was awarded between FFY 2008 and FFY 2011. The BMV reports that although the state has not received grant funds between FFY 2012 and FFY 2014, the state continues to draw down funds from previously awarded grants.

Year	REAL ID Driver's License Security Grant Revenue
FFY 2008	\$3,149,637
FFY 2009	\$1,169,839
FFY 2010	\$1,098,276
FFY 2011	\$1,107,680
4-Year Total	\$6,525,432

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV.

Local Agencies Affected:

Information Sources: Mark Goodrich, BMV; Stephen Leak, BMV; Alex Miller, BMV; Carol Branstetter, BMV.

Fiscal Analyst: Bill Brumbach, 232-9559.